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TAGS: [ECON](#) [PGOV](#) [SENV](#) [VE](#)

SUBJECT: LAND "REFORM" PLACES NATURE RESERVE IN JEOPARDY

REF: CARACAS 1356

Classified By: ECONOMIC COUNSELOR RICHARD M. SANDERS FOR REASON 1.4 D

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Summary  
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1.(U) The Venezuelan government's "land reform" project threatens one of Venezuela's premiere wildlife refuges. Hato Pinero, located in the "llanos" or plains region of Venezuela's Cojedes state has a 50 year history of conservation and has for decades served as Venezuela's best example of sustainable development. Venezuela's National Land Institute (INTI) under the leadership of Eliezer Otaiza has launched a no-holds-barred attack on Pinero variously accusing it of environmental crimes, slavery, and illegal irrigation as well as claiming that the ranch is idle land and land to which its owners have no legitimate title. The Branger family, which owns Pinero, is fighting the action in the courts. Observers worry about the environmental impact of an eventual state seizure should the family lose its case. Pinero contains hundreds of species of plants and animals, several of which are threatened and many of which are found nowhere else in the region. Environmentalists point to the GOV's poor track record of land management on public lands and worry that government action could cause irreversible harm to a fragile ecosystem. End Summary.

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Hato Pinero  
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12. (SBU) Hato Pinero is a nature reserve and cattle ranch located in Venezuela's central plains, known as the "llanos". The ranch extends over 80,000 hectares of mountains, wetlands, grasslands, and forest. Pinero, Venezuela's oldest private nature reserve, began its conservation efforts in 1953 shortly after the Branger family purchased the land, and started promoting itself as an eco-tourism destination in 1985. Pinero is home to over 500 animal species (including several threatened feline and reptile species), 850 plant species (over 28% of the species found in Venezuela), a large tract of virgin jungle, and a research center. In addition to the nature reserve, which is visited by over 1500 tourists and researchers annually, Pinero is a functioning ranch with over 11,000 head of cattle.

13. (C) Pinero is the largest private reserve in Venezuela according to Deborah Bigio, President of the Fundacion para la Defensa de la Naturaleza (Fudena), a Venezuelan environmental NGO which focuses on the llanos region and has been particularly active in promoting private conservation efforts. Bigio notes that Pinero is the crown jewel of APRINATURA, a network of private reserves and refuges in Venezuela that includes more than 37 ranches and has over 400,000 hectares under protection. A section of Pinero also forms part of a jaguar habitat that was established jointly by 20 ranchers in Cojedes.

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What is the GOV up to?  
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14. (SBU) Along with Hato Charcote (reftel), Hato Pinero has been the focus of the GOV's public attacks on "latifundios" or large rural estates. The GOV claims that the "alleged owners" do not have clear title to the land, and that the land is not being used productively. The GOV -- which itself is the largest holder of idle lands in the country -- claims that it plans to seize idle lands and turn them over to peasants for farming. This has exacerbated the problem of illegal squatters on a number of ranches (which the GOV has been loathe to confront) and has encouraged more squatters to stake their claims in anticipation of a seizure. Pinero, unlike other Branger-owned ranches and the Charcote ranch (owned by the British Vestey company), has not faced a squatter problem.

15. (C) According to Jaime Perez Branger, President of

Agropecuaria San Francisco (the Branger family holding company for its agricultural interests including Pinero), the GOV does not communicate with his company directly, but instead has chosen to speak through the press. In a newspaper interview in early April, Eliezer Otaiza, head of

Venezuela's National Land Institute (INTI) claimed that though Pinero charges in dollars for tourism it "provides no benefits (to its employees) and pays no taxes". (Note: It was in this interview that he exhorted Venezuelans to "learn to hate the gringos" in anticipation of a coming military conflict with the U.S.) He also accused Pinero of egregious environmental damage, but gave as his only concrete example an allegation that the ranch cut down trees to make corrals. Pinero has also been publicly accused by the government of treating their employees as "slaves" and of diverting rivers for their own use.

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Land "Reform"  
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16. (U) The attack on Pinero is part of the government's well-publicized war on "latifundios" and "oligarchs." Venezuelan President Hugo Chavez has called for the seizure of these "latifundios" for redistribution to the poor. Unlike previous Venezuelan land reform efforts, the Chavez scheme does not give the poor title to the land, rather they are given "cartas agrarias" which only allows them to act as tenant farmers as the land cannot be sold or mortgaged by the farmer.

17. (U) Under the land reform law originally published in 2001 and updated in April of 2005, lands can be taken by the government if the current "alleged owner" cannot prove legitimate title for his holdings not only from the time of purchase but also in an uninterrupted string back to before 1848. Many landowners do not have the capacity or ability to comply with this requirement. Once a landowner has been notified that his land is to be seized, he has a 60-day period to appeal the INTI decision to the courts.

18. (C) Diego Diaz Martin, President of Vitalis -- Venezuela's largest environmental NGO, points out that the government's political agenda seems confused and inconsistent. Local, and often national laws do not support the actions of INTI and the government, but the issue's high profile could make government retreat embarrassing. The government, says Diaz, is making excuses after the fact to justify its actions.

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The Impact of a Seizure  
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19. (C) Environmentalists from Venezuela and around the world are fearful of a GOV seizure of Pinero. As Venezuela's oldest and highest profile private eco-tourism reserve, the loss of Pinero could have far reaching effects. Vitalis' Diaz says that while the extent is uncertain, the loss of biodiversity could be enormous. Diaz also points out that researchers from around the world have published over 500 papers on work done at Pinero, and the loss of Pinero would be a major blow to the ecological and biological research community. Fudena's Bigio is concerned that the entire private conservation movement might be derailed by a seizure of Pinero. She notes that private ranchers have made significant investments and incurred significant opportunity costs in setting up refuges and protected areas on their lands, hoping that this would encourage the GOV to allow them to keep their lands. Landowners would be extremely hesitant to make such a commitment in the future.

10. (SBU) The government has suggested that it is best equipped to manage the country's biological resources and claim that the country's biodiversity is part of the country's patrimony. According to INTI's Otaiza "no private owner can manage biological and forest reserves for their own benefit, exploiting as a tourist business this resource that belongs to the whole country." Venezuela's environmental NGOs do not share Otaiza's belief. The NGOs emphasize that Inparques, Venezuela's National Parks management authority, has a terrible record for managing lands. Illegal building, mining, and hunting are perennial problems throughout the country's national parks system.

11. (C) Venezuelan environmentalists repeatedly complain that the state has never dedicated the resources or manpower to effectively manage its national parks. As an example, they point to Canaima National Park in the Gran Sabana which covers an area of over one million hectares yet has only six employees. Guatopo National Park, a fairly heavily used

park, located only 56 kilometers from Caracas covers over 120,000 hectares yet employs less than a dozen rangers. Diaz points out that the Avila National Park, which lies between Caracas and the Caribbean, is home to thousands of illegal

buildings, and the government has taken little action to control further expansion on national lands. A GOV takeover of Pinero, according to Fudena's Bigio, threatens one of Venezuela's best opportunities for successful sustainable development.

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View from the Ground  
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12. (C) Econoff visited Hato Pinero in April 2005. During the visit, Econoff did not observe any government officials either on the periphery or inside the reserve. According to Antonio Julio Hands Branger, the director of the Hato Pinero Foundation, which oversees the conservation activities of Hato Pinero, there have been several visits and surveys by various GOV agencies during the last few months. In mid-April, the Hato was visited by a team of 20 people drawn from INTI, SENIAT (the Venezuelan tax authority), the Ministry of the Environment and Natural Resources (MARN), and Inparques. This group, according to Hands, was far more concerned with trying to find problems with Pinero than in understanding how the reserve was operated. According to Hands, the group, which stayed at the reserve for 2 days, did not contain a single scientist.

13. (C) Econoff was shown the areas of alleged environmental "destruction," which amounted to small areas of earth movement to facilitate road maintenance (of gravel/dirt roads). Econoff also observed the dismantled irrigation system adjoining the Cojedes River, which, according to Hands, diverted only .004% of the water from the river. According to Jaime Perez Branger, Pinero had a permit in place for the irrigation system from 1999-2005, but the GOV has not allowed them to renew the permit.

14. (C) Econoff also had the opportunity to speak freely and privately with workers at the Hato, 85 percent of whom are drawn from towns near the Hato. These employees, many of whom have worked for decades at the Hato, told Econoff that they were offended by the accusations leveled by the GOV and pointed out that several families have multiple members and multiple generations working at Pinero.

15. (C) Hands told Econoff of a visit by members of the National Assembly's committee on the environment and natural resources who visited the ranch after the first allegations were publicized. Hands said the Assembly deputies -- including some pro-Chavez legislators -- left the ranch convinced that the allegations were baseless. (Comment: This account was also relayed to Econoff in conversations with environmental NGOs. It should be noted, however, that the power of a National Assembly committee is almost negligible. End Comment.)

16. (C) Jaime Perez Branger, for his part, remains cautiously hopeful. In a meeting with Econoff on May 2 -- even as INTI inspectors were counting head of cattle at Pinero -- Perez noted that the pace of INTI actions had slowed, which he took as a positive sign that the government is becoming more deliberative in its process. He said that he felt that the evidence for the motions presented to the presiding judge was strong.

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Comment  
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17. (C) The evolving history of GOV actions as part of its "land redistribution" program doesn't give much reason to believe that the GOV will not do what it has said it will. The recent passage of the revised land law that reintroduces provisions of the 2001 law that were struck down by the Venezuelan Supreme Court, merely codifies a course of action that is already taking place. Venezuela's environmental groups are extremely pessimistic, and have developed no real course of action. Environmental NGOs in Venezuela have traditionally taken a non-political stance that is unlikely to change in the current political climate of Venezuela. Environmental causes in Venezuela do not have much of a political constituency. MARN is weak and lacks both

resources and scientific expertise to accomplish much. The owners of Pinero have been somewhat successful in appealing for pressure on the GOV from international NGO's, scientists, and academics, but it is unclear what if any impact this might have. For now, the Branger family's best hope is to battle the GOV to a draw in the current legal proceeding. The GOV holds the power in this asymmetric war, and even a short-term victory for Pinero this month may not mean much in the long run.  
Brownfield

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